

City of Davenport / Teamsters 238 (Blue Collar)

2002-2003
CEO 189
SECTOR 3

Before
Rex H. Wiant
Fact Finder

*****)
City of Davenport)
and)
Teamsters Local 238)

Iowa PERB CEO189/3

RECEIVED
2003 MAR 26 PM 12:06
PUBLIC EMPLOYMENT
RELATIONS BOARD

For the Employer:

Mary Thee, Chief Spokesman and Attorney
Alan E. Guard, Budget Manager
Dan Sherman, Superintendent of Parks
David Geisler, Acting Director of Human Resources
Dennis Ryan, Plant Manager Water Pollution Control Plant

For the Union:

Jill Hartley, Chief Spokesman and Attorney
Andy Sullivan, Business Representative
David Papp, Member
Gary F. Moore, Chief Steward
Joe Collins, Member
James H. Brown, Member
Ron Caut, Member
Bob Hawkins, Member

Jurisdiction:

The parties selected Rex H. Wiant to hear and make recommendations in the instant case. A hearing was held on March 10, 2003 at the City Hall. Both sides presented witnesses and argument. All evidence was subject to cross examination. The parties waived the

March 15th deadline. At the conclusion of the hearing the parties made final argument and the hearing was declared closed. The hearing was recorded and the Fact finder will keep the tapes and materials as required by Iowa Law.

Background:

Davenport, Iowa is a city on the Mississippi River. It is part of what is known as the Quad Cities—two cities on the Iowa side and two on the Illinois side of the river. The parties have bargained under the Iowa Public Employment Relations Act for many years. This unit is sometime called the “blue-collar unit” because its members perform different types of manual labor. The Employer also negotiates with five other bargaining units. They include two AFCME units, Fire, Police and Transit. Only the Transit unit has settled for 3.5% wage and insurance changes. Police and Fire have held fact finding but the reports were not public on the day of the hearing. AFSCME continues to negotiate. The Employer has also awarded non-bargaining employees 3.5% with insurance changes.

The parties exchanged proposals in the fall, held several negotiations sessions and mediated prior to moving to the Fact finding stage of the statutory impasses procedure. The main issues are wages and insurance. The Employer is faced with a budget crisis due to tight revenue and expanding demands for service.

While Iowa law does not specifically list requirements for Fact finders to follow, there is a tradition that the standards in Section 20.22 of the Iowa Code for Interest Arbitrators are used by Fact finders. They are Past Agreements, Comparability, Interests and Welfare of the Public and Inability to Pay. All four were reviewed by the Fact finder. The parties primarily cited Past Agreements, Comparability and Interests and Welfare of the Public in their presentations. The Employer noted that the noted that tax rate had been set for the year and could not be changed.

The Union proposed a three year contract but acknowledged at the hearing that multiple year agreements was a non-mandatory subject of bargaining. The Fact finder will make

recommendations for a one year agreement and the parties may continue to explore the possibilities of a multiyear agreement.

The parties have also several points of agreement in their proposals. The Fact finder will try to note these in his decision, but intends to focus on points of disagreement. The Fact finder is constructing a global settlement of all issues for a one year contract. All Fact finders, including this one, would like to see their recommendations accepted. If that is not possible then the parties should use this report to jump start negotiations.

There are two major issues and three minor ones at dispute between the parties. The two major one are wages and insurance. The three minor ones are uniform allowance for sewer workers, incentive time for trash collectors and incentive pay for certification for sewer workers. The difference between major and minor is major issue effect all in the bargaining unit and the minor issue effect only specific classifications.

Issue 1. Wages

Union Position: 4.0%

Employer Position: 3.5%

Findings of Fact: The Fact finder views wages and insurance as being linked. Both come down to money. Originally health insurance was called a fringe benefit because it was a minor add on that did not cost much money. Over the past twenty years that fringe benefit has become a major expense. Double digit increases have been the rule. In this unit a meter reader is paid \$22,349 and if he takes family health insurance the city pays an additional \$11,124. Once other costs are added in, health insurance is still over 25% of his compensation package.

In determining comparability the first place is to establish which cities are in and out of that group. The parties basically agree on large cities in Iowa with the exception of Des

Moines. Both sides and other fact finders have excluded Des Moines because of size.

The groups used by this Fact finder include:

<u>City</u>	<u>Population</u>	<u>Settlement</u>
Cedar Rapids	120,758	3.25%
Dubuque	57,689	4.81%
Sioux City	85,013	2.25% July 1 and 2.25% January 1
Council Bluffs	58,268	Still Bargaining
Iowa City	62,220	Still Bargaining
Waterloo	68,747	3.5%
Davenport	98,359	

The mean average is 3.74% with Sioux City's settlement calculated at an annual package estimated at 3.4%. The Fact finder views the 4.81% in Dubuque with some skepticism because that is the highest settlement he has seen this year.

Internally there is only one settlement with the Transit Union at 3.5%. The Union argues that that unit is facing difficulty which lead to the settlement.

The Fact finder believes that the comparability would indicate a settlement of 3.5%. There is no hard science or calculation to that figure. It is more of estimated guess based on his years of experience. The Fact finder does believe there needs to be an additional amount added on in exchange for the loss of full insurance. He believes that it is worth an additional .5%. A discussion of insurance can be found in the section immediately below.

The Fact finder recognizes that 4.0% is what than the Union asked for in wages. He believes that the parties need to remember two points: 1. Some of that money will go to pay for health insurance contributions. 2. The quid pro quo for a long held benefit is high. If the Employer really needs the relief, then they had better buy the insurance issue out now. It is unreasonable to think that the Union will give up a benefit just out of the goodness of their heart. If health insurance is truly that important then the long term benefits will easily out weigh the costs.

Fact finder's Recommendation: Increase wages by 4.0%.

Issue 2. Insurance.

Currently 100% paid by Employer for single and family coverage.

The Parties have already agreed to the following changes:

- Change for 80/20 copay for outside services to 70/30.
- Reduce student ages from 26 to 24, grandfather current students.
- Remove dependents of dependents effective 7/1/03.
- 30 days waiting period for new hires.

The Fact finder recommends these changes.

Employer Position: Employees taking single insurance will pay 1% per month.

Employees taking Family will pay 2% per month.

Union Position: No Change.

Findings of Fact: This is the real issue that has kept the parties from reaching agreement. For many many years the Employer paid the full cost on health insurance of Single and Family plans. The Employer is seeking relief by making those with Single coverage pay 1% and Family coverage pay 2% of the cost. The Union has steadily refused to consider such a change.

There are a lot of arguments that the Fact finder will not go into here, but the bottom line is that it is time for a change. Costs of health insurance have gone up so rapidly in the past 20 years that neither labor nor management can believe it. Those increases will continue as far as anyone can see in the future.

Comparability in this area is split on this issue but the Fact finder believes that wholly paid Employer plans are a dinosaur. In the private sector they are all but extinct. The trend across the board is to have employees bear some of the cost with the theory that once you pay for something you are more likely to try to control the cost of it. The relief sought by the Employer will not bring significant cost reduction for years to come but it is a small start. Employee contributions will be the lowest in the comparability group. The \$3.77 per month for single and \$18.52 for Family amount to less than 3 cents per hour for Single and 11 cents for Family.

Fact finder's Recommendation: The Employer position.

Issue 3. Uniform Allowance.

Union Position: Expand to include sewer workers not covered. Asphalt crew and Sewer Division would be separated from other classifications and change to a straight \$125 uniform reimbursement for work pants and shirts.

Employer Position: No change.

The Employer believed that this is a non-mandatory subject of bargaining and voluntarily allowed it be ruled on by the Fact finder. They retained the right to seek a ruling from PERB should the parties go to Interest Arbitration.

Findings of Fact: This is a great example of something simple becoming far more complex than necessary. Some employees receive up to \$150 per year to buy one pair of pants and two shirts. Employees buy the items and then present a receipt to the Employer for reimbursement. The Fact finder does not believe it is possible to spend \$150 for those items in Davenport, Iowa. The Union seeks to make it more complex by adding some employees and allowing others to buy something other than the prescribed clothing.

What the parties need to do is make this language simpler. State a flat dollar amount and have it be for any type of work clothing. Some will buy all shirts. Others pants and others a mixture. Some will probably buy from a discount house and others a department store. It is true some jobs are dirtier than other jobs but it becomes much harder to

determine who gets what amount so it is far easier to pay a flat amount. Some cities like to have a fixed date while others prefer to spread the payments out over a year. Either way is acceptable.

Fact finder Recommendation: Substitute the following language:

Employees shall receive \$75 per year for work clothing.

Issue 4. Hours.

The parties had agreed upon an incentive plan in 1985 and then the Employer successfully removed it in 2001 because of an increase in complaints and accidents.

Union Position: Reinstate 1:30 p.m. incentive time for trash collectors

Employer Position: No change.

Findings of Fact: This issue has a long history between these two parties. The parties freely agreed to an incentive plan that allowed employees to quit work at the completion their route, if after 1:30 p.m. and are paid for an eight hour day. A Fact finder recommended its change to 2:00 p.m. in 2001 and now the Union seeks to have 1:30 p.m. reinstated.

The Employer never was able to prove that speed was the cause of injuries. Workers in this type of work can expect more injuries than those who sit a desk or even those who care for parks. The Employer did prove that citizen complaints had risen. The average homeowner expects his trash to be picked up and that part will not be left behind to blow in the wind. The Fact Finder believes the 2:00 p.m. incentive time is a good compromise for the parties. Employees will get off work with pay if their work is done. The Employer does need some control over employees who focus only on speed. If there are citizen complaints or if there is some other evidence that either crews of individual employees are not performing up to the standard required by the Employer then the

Employer should be able suspend incentive time to encourage the work to be properly completed.

Fact Finder's Recommendation: Change Incentive time to 2:00 p.m. Add language so that it is understood that the Employer may suspend Incentive Time for crews or employees who are not performing up to standard.

Issue 5. Incentive Pay.

Currently this classification of employees does not receive any incentive pay.

Union Position: Active Lead Plant Operators who possess a certification higher than required for their position on July 15th will receive the following annual incentive:

One grade higher \$175

Two grades higher \$200

Three grades higher \$225

Maintenance personnel at the Water Pollution Control Plant who possess certification \$175.

Employer Position: No change.

The Employer believed that this is a non-mandatory subject of bargaining and voluntarily allowed it be ruled on by the Fact finder. They retained the right to seek a ruling from PERB should the parties go to Interest Arbitration.

Findings of Fact: The Employer argued that there is no requirement and therefore no advantage of these employees having licenses above what is required for their position. Traditionally wage supplements or "kickers" are paid when there is an advantage to both the Employer and the individual employees. This is true, but in an age where knowledge is power, a better trained workforce is always an advantage to an employer. The advantage may not as great, but there still is an advantage.

Fact finder's Recommendation: Adopt the Union Proposal with the following wage supplements:

One grade higher \$50
Two grades higher \$75
Three grades higher \$100

Maintenance personnel at the Water Pollution Control Plant who possess certification \$50.

Recommendations have been made on all issues presented to the Fact finder. The Fact finder has reviewed all evidence and materials in reaching his recommendations. If through some error that some issue has not been specifically mentioned then he recommends that no changes be made in that item.

Sincerely,



Rex H. Wiant

Fact finder

Dated on March 23, 2003 in Kansas City, MO.

CERTIFICATE OF SERVICE

I certify that on the 24th day of March, 20 03, I served the foregoing Report of Fact Finder upon each of the parties to this matter by (_____ personally delivering) (✓ mailing) a copy to them at their respective addresses as shown below:

Mary The
City of Des Moines
226 W 4th St
Des Moines IA 50301

511 Hawley
1535 N Wackerline #202
Milwaukee WI 53212

I further certify that on the 24th day of March, 2003,
_____, I will submit this Report for filing by (_____ personally
delivering) (✓ mailing) it to the Iowa Public Employment
Relations Board, 514 East Locust, Suite 202, Des Moines, IA 50309.



Rex A Wiant
(Print name)

Fact-Finder

RECEIVED
2003 MAR 26 PM 12:06
PUBLIC EMPLOYMENT
RELATIONS BOARD